

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

VIA FEDERAL EXPRESS



December 1, 1998

RECORDATION NO. 21816 FILED
DEC 2 '98 2-21 PM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and three (3) copies of a Memorandum of Lease Agreement, dated January 29, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: International Reload Systems Ltd.
18 Park Road
Christina Lake, B.C. V0H 1E0

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulskey".

Susan Grokulskey
Manager – Documents Administration

Enclosures

(INRE003)

RIDER NO. 2RECORDATION NO. 21816 FILED

MEMORANDUM OF LEASE

DEC 2 '98

2-21 PM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 29th day of January, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and International Reload Systems Ltd. ("Lessee"), a British Columbia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of December 18, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 29, 1998 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. SeymourName: Richard F. SeymourBy: K. A. DombrowskiTitle: Vice President, Sales & MarketingName: K. A. DOMBROWSKITitle: MANAGER - DOCUMENTATION Executed on this 13th day of April, 1998.

[CORPORATE SEAL]

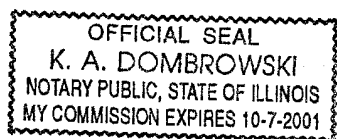
RIDER NO. 2

STATE OF ILLINOIS

COUNTY OF COOK

I, K. A. DOMBROWSKI, a Notary Public of the County and State
aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and
acknowledged his due execution of the foregoing Memorandum of Lease.

1998. WITNESS my hand and official stamp or seal, this 13th day of April.



K. A. Dombrowski

Notary Public

My Commission Expires:

10-7-2001
(Notary Public)

RIDER NO. 2

LESSEE:

INTERNATIONAL RELOAD SYSTEMS LTD.

ATTEST:

By: 

Name: Douglas Sandner

By:  Title: President

Name: D. SANDNER

Title: PRES. Executed on this 31st day of March, 1998.

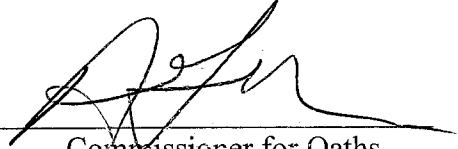
[CORPORATE SEAL]

PROVINCE OF British Columbia

DISTRICT OF Canada

I, ANGELA GIBSON, a Commissioner for Oaths of the District and Province aforesaid, certify that Douglas Sandner personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 31st day of March, 1998.


Commissioner for Oaths

ANGELA GIBSON

Barrister & Solicitor

P.O. Box 1030

Grand Forks, B.C.

VOH 1H0

My Commission Expires:

non-expiring
(Commissioner for Oaths)

RIDER NO. 2

**EXHIBIT A
to
MEMORANDUM OF LEASE**

73', 286,000 gross weight on rail, new Trenton Works built, centerbeam flatcars.

Bearing the Car numbers: NOKL 733775 to NOKL 733796 inclusive.